



# TRAJECTORY

OUVERTURE

22

14 00 UNE PEINTURE PARLÉE  
15 00 BEAUBOURG-LA-REINE: LES KELLERS  
19 00 BEAUBOURG-LA-REINE: JULIE NICOLLE ET SIR ALICE  
20 00 TEATRINO PALERMO: INAUGURATION  
20 30 GRANDE SALLE: ELMGREEN & DRAGET

23

14 00 UNE PEINTURE PARLÉE  
16 00 BEAUBOURG-LA-REINE: LAURENT FRIQUET  
ET MARIE-PIERRE BRÉBANT

## The Optimism Index (UK)

Report: October 2021 | Fieldwork: 6<sup>th</sup> – 13<sup>th</sup> October

**UK Optimism  
October 2021**

**51**

Down one point on September 2021

Up five points on October 2020

**Rolling Average  
October 2021**

**52**

Down one point on September 2021

Up five points on October 2020

*Scale 0-100. A score of 50 or more indicates higher levels of optimism*

**Net spending  
expectations**

**-15%**

*Spending expectations dampened by growing financial concerns*

**Net household  
confidence**

**-6%**

*Household confidence has suffered amidst concerns over rising cost of living*

**Net Trust**

**-13%**

*Levels of trust have risen slightly this month*

# Headlines

## Comment

The descent continues. Although headline optimism remains just about positive it is on a steady and seemingly inexorable decline into negative territory.

Unlike previous dips in the last 18 months, this descent is overwhelmingly driven by financial concerns. While the lockdowns placed us all in similar positions (albeit with varying degrees of comfort) the impact of economic constraint is far more uneven. The wealthiest households are 12 points more optimistic than the poorest and concern about the financial impact of the pandemic is accelerating fastest among those low income households too.

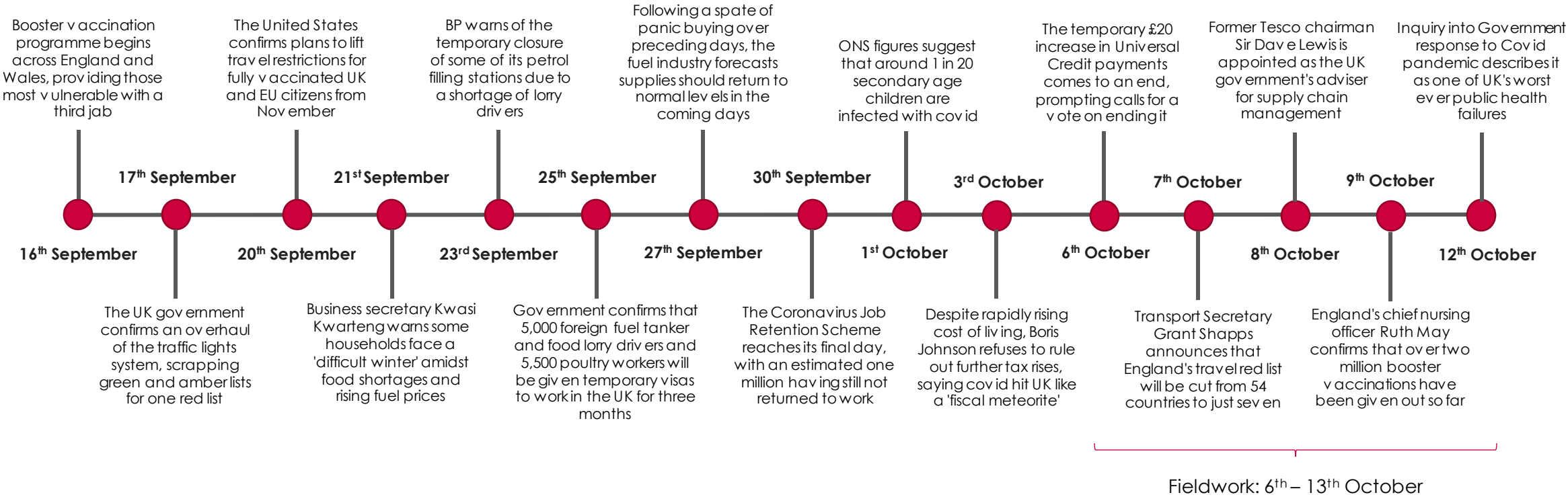
But the pinch won't only be felt by the poorest. Those on pre-payment cards will be the first to have felt rising energy costs, but it will find its way to those on direct debits and quarterly bills soon too. Not everyone will be affected by a cut in Universal Credit but we'll all notice rising food prices and the unavailability of staples.

In many ways, the rise of financial concerns is a return to a set of recessionary consumer behaviours that businesses will feel more familiar with – bargain hunting, value finding and price comparison consumer trends will once again come to the fore.

However, as medical experts are keen to remind us, the pandemic isn't over yet and we could still face a winter where both health and financial worries drive consumer sentiment to new lows.



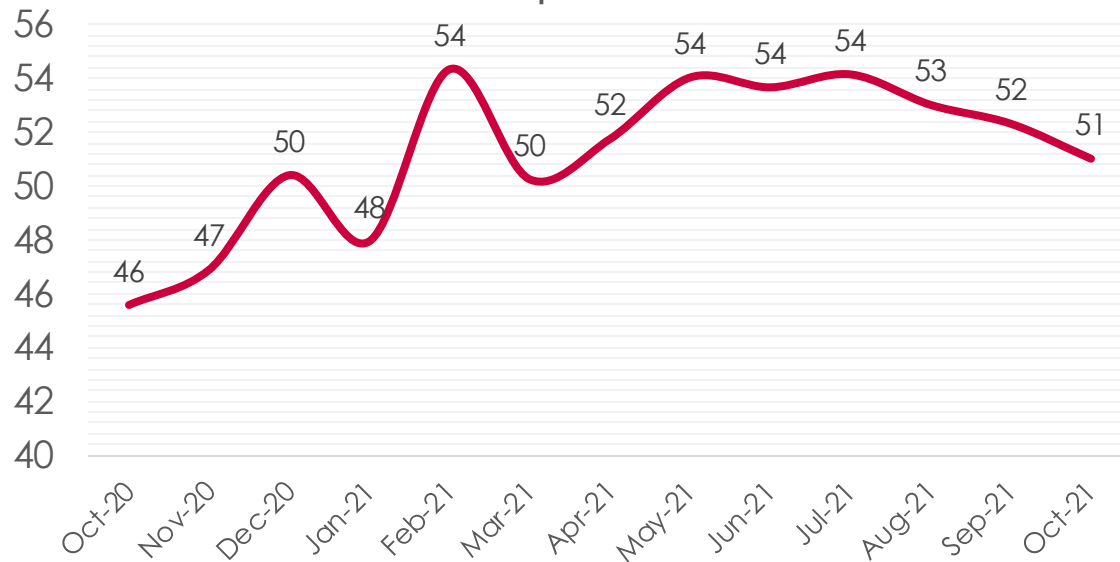
# Last Month's Key Events



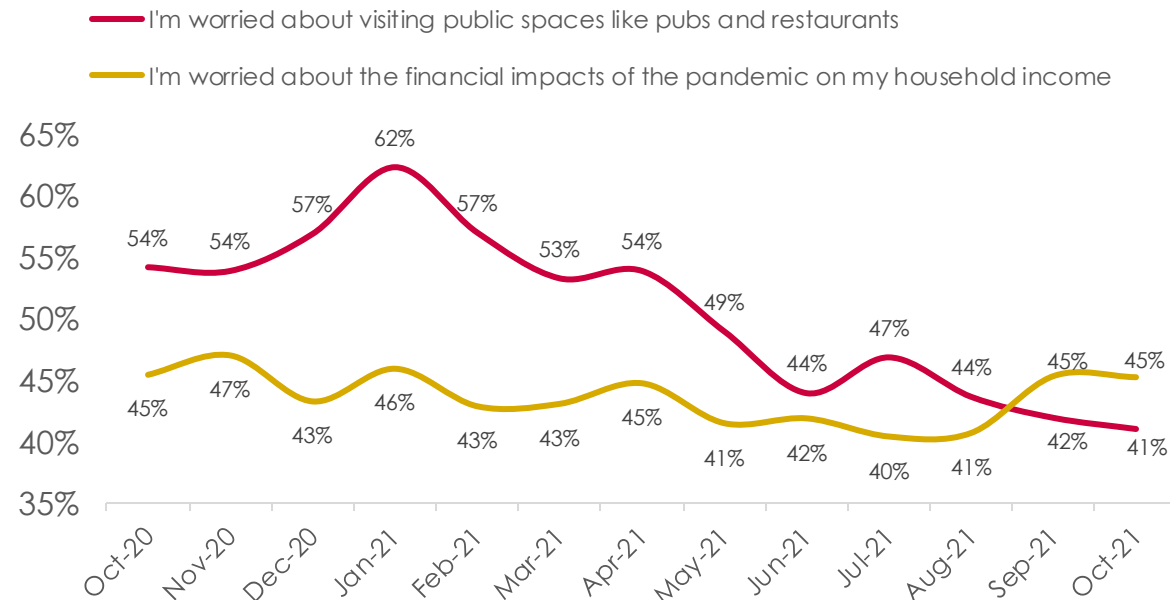
# The Optimism Index: Headlines

## The Optimism Index

Scale 0-100. A score of 50 or more indicates higher levels of optimism



## % Total Agreement with each statement



- This month's edition of **The Optimism Index** sees consumer sentiment decline by one point from a score of 52 to 51.
- Despite remaining above 50, this is the third consecutive month in which overall outlook has worsened. Amidst growing concerns regarding the UK supply chain in the run up to Christmas, consumers are feeling the pinch as the cost of living is rising and financial support that was previously in place comes to an end.
- Whilst the movement away from the public health phase of the pandemic into the economic phase looks increasingly clear, many consumers are still adopting a high degree of caution regarding the virus itself. Just over four in ten remain concerned about going to public spaces such as pubs and restaurants, with such concern unlikely to be aided by the somewhat slow rollout of booster jabs as protection from initial vaccines starts to decline.

# The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** declined by one point this month from a score of 53 to 52.
- Similarly to this month's trends in overall optimism, October marks the third consecutive month in which we see longer term sentiment decline. Now down to 52, this brings the rolling average back to the level seen during the first phase of reopening back in April, with the peak in the summer already appearing a distant memory.
- Whilst longer term outlook remains significantly more positive than at this point last year, it is worth highlighting that October 2020 marked the lowest level that the rolling average reached (47) at any point during the pandemic.

**The Optimism Index, 3 Month Rolling Average**

Scale 0-100. A score of 50 or more indicates higher levels of optimism

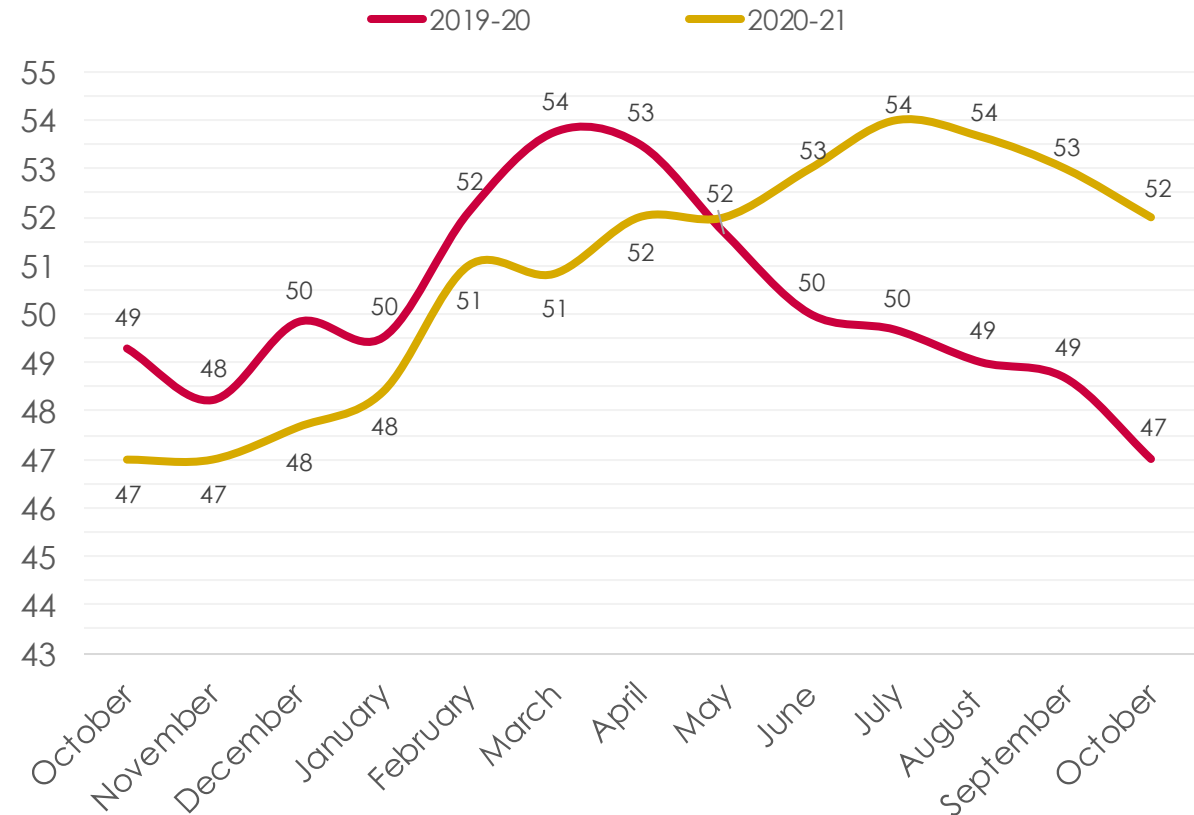


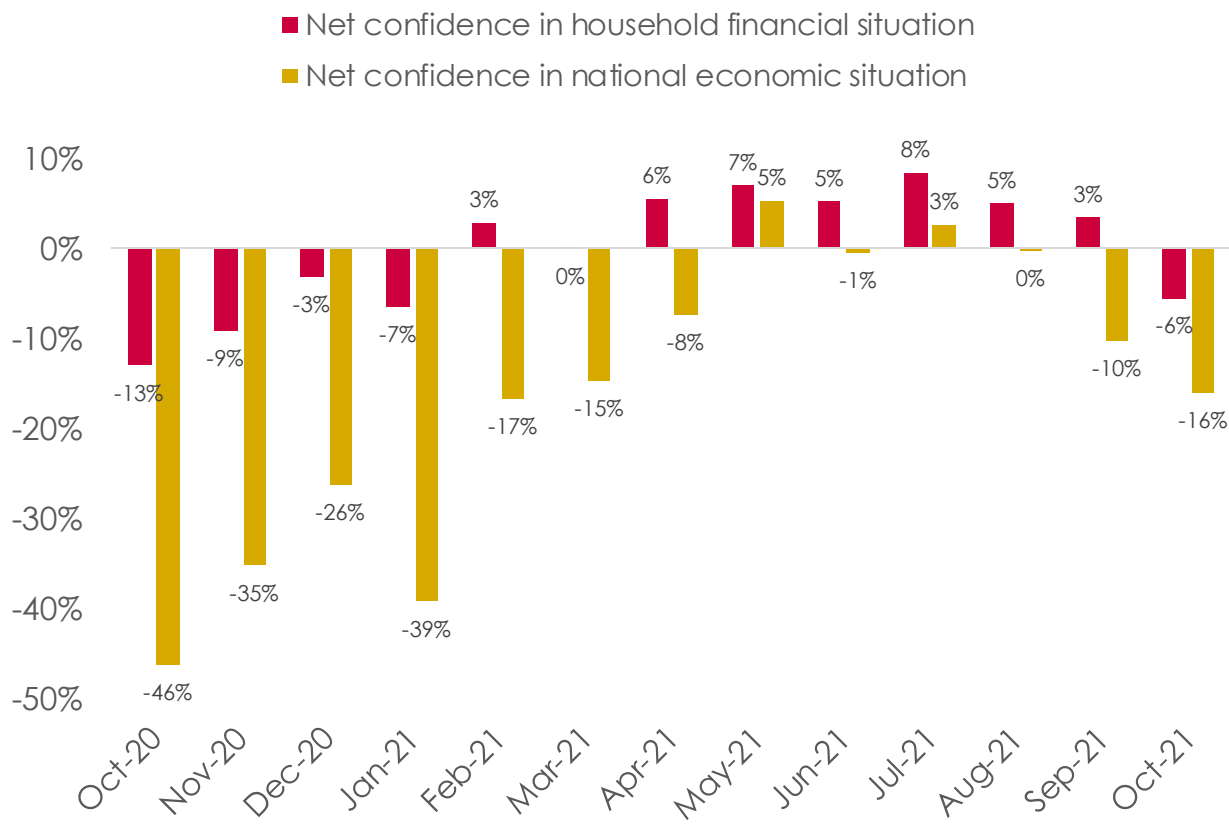
Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

# Economic and Household Confidence

- This month sees levels of financial confidence decline further, with a concerning 9% decline in net household confidence (3% to -6%) alongside a 6% fall regarding the UK economy as a whole (-10% to -16%).
- These findings fully confirm that consumers are now adopting a far different mindset to that of the summer. The positivity was driven primarily by the news of reopening. Recent events have shown consumers the extent to which the pandemic, coupled with Brexit implications, has disrupted the UK supply chain.
- Such disruption has not only damaged consumers outlook regarding the UK economy as a whole, but the fallout has had damaging implications at a household level this month.
- Amidst warnings of record inflation levels alongside reductions in Universal Credit payments and rises to National Insurance, it is little surprise that household confidence has seen a greater month on month decline than at any other point during the pandemic (-9%).

## Economic and Household Confidence

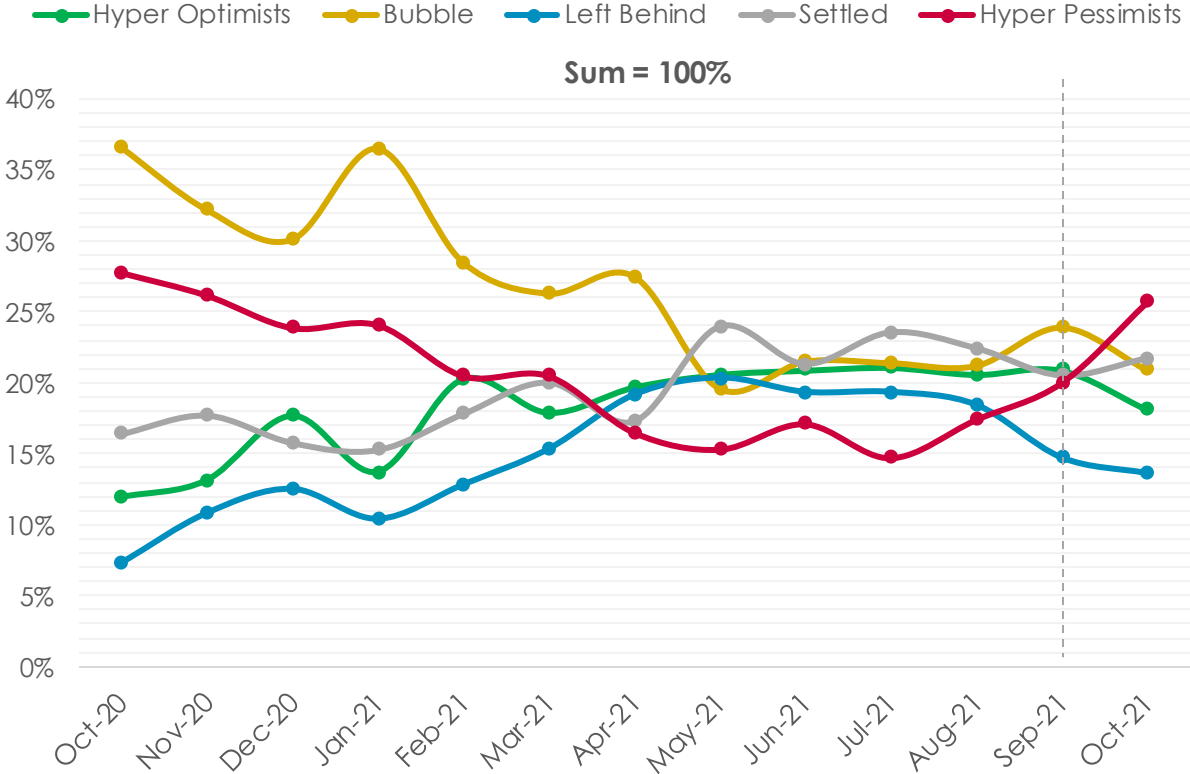
(Net: % thinking will improve minus % thinking will get worse over next 12 months)



# Consumer Confidence Groups

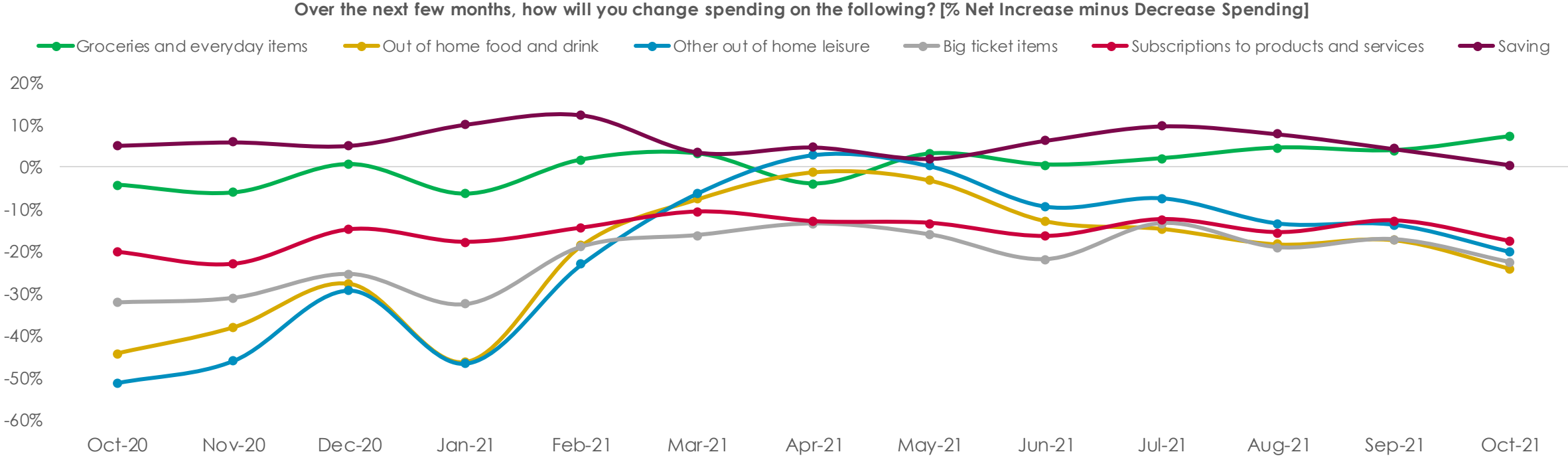
- Trends in financial confidence have led to concerning movements in our confidence groups this month. Most notably, we see a 6% rise in the proportion of 'Hyper Pessimists' (20% to 26%) alongside a 3% decline in both 'The Bubble' and 'Hyper Optimists'.
- This month's increase marks the highest proportion of 'Hyper Pessimists' that we have seen at any point in 2021, falling only 2% short of what we saw at this time last year (28%). The latest findings also represent the third consecutive month in which this group has risen, now up 11% compared to July (15% to 26%).
- For the first time since the reopening, we also see 'Hyper Pessimists' accounting for a greater proportion of consumers than 'Hyper Optimists'. With much of the financial damage not having even materialised at this stage, it appears a real possibility that this gap could yet widen further in the months ahead.

Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



**Hyper Optimists** = Economy and own finances will improve  
**The Bubble** = Economy will get worse, own finances improve or stay same  
**Left Behind** = Economy will improve, own finances get worse or stay same  
**Settled** = Economy stay the same, own finances stay the same  
**Hyper Pessimists** = Economy will get worse or stay same, own finances get worse

# Spending Expectations



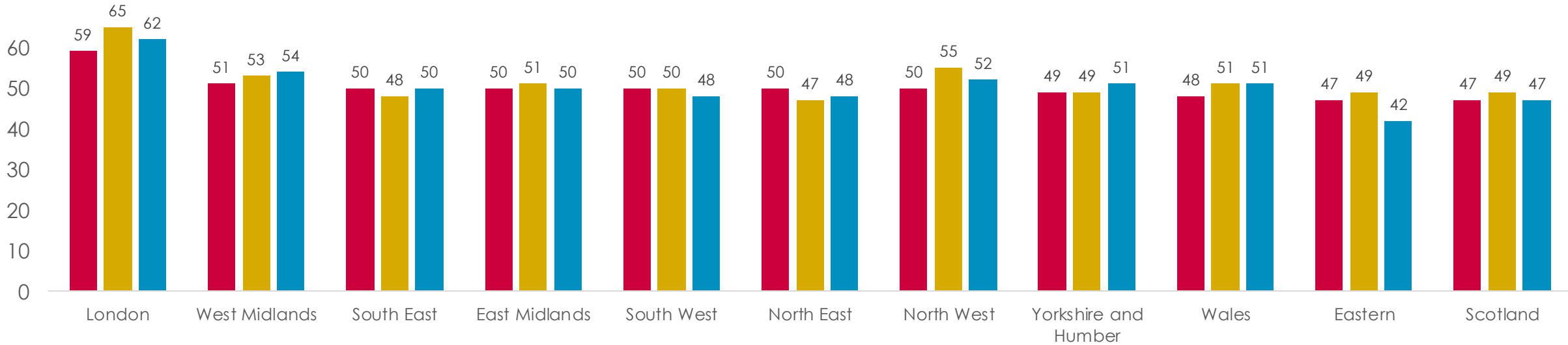
- Declining confidence at a household level has translated into a further fall in net spending expectations this month. Once again, it is out of home leisure spending that has suffered the most, with net expectations for out of home food and drink and other out of home leisure seeing a 7% and 6% decline respectively compared to last month.
- Whilst previous years have seen out of home leisure spending decline moving into the Autumn, it is worth noting that this month's trends far outweigh those seen pre-pandemic. Across 2018 and 2019, between August and October, there was an average decline of just 1% in net spending expectations for both out of home food and drink and other out of home leisure activities.
- Amidst the current level of financial concerns, it comes as a surprise to see consumers expecting an increase in spending on groceries and everyday items. This, however, is unlikely to be a result of expectations to increase the amount purchased, but rather it simply being a result of the anticipated rise in the cost of food, fuel and energy bills over the next few months.



### The Optimism Index by Region

Scale 0-100. A score of 50 or more indicates higher levels of optimism

■ Average Apr 20 - Oct 21      ■ Sep-21      ■ Oct-21



- This month's data provides further evidence that the UK is anything but a level playing field with regard to sentiment, with a staggering 20 point range seen across the 11 different regions. Once again, London is far clear of the rest despite seeing a three point decline this month, being at least eight points higher than any other region with a score of 62.
- A glimmer of hope can be taken from the fact that this month sees only four regions with a score below 50, one fewer than last month. Most notably, this includes the East of England, who experienced a seven point decline this month (49 to 42), perhaps owing to the Brexit-induced disruption that has been occurring at Felixstowe Docks, a significant source of growth for the region.
- For those in Scotland, the picture remains especially pessimistic. October marks the fifth consecutive month in which a score below 50 is seen; being one of only four regions to have an average below 50 for the pandemic as a whole. It remains to be seen whether or not the recent addition of vaccine passports in the country will provide welcome relief from this stagnation.



# Gender

- This month sees the gap in optimism between men and women grow by a further point, now up to six, as women see sentiment decline by two points from 50 to 48 whilst men see just a one point fall from 55 to 54.
- These findings represent the sixth occurrence of a score below 50 for women over the past 12 months. With optimism not falling below this threshold amongst men at any point throughout 2021 so far, it further highlights the extent to which women have been disproportionately affected by the pandemic.

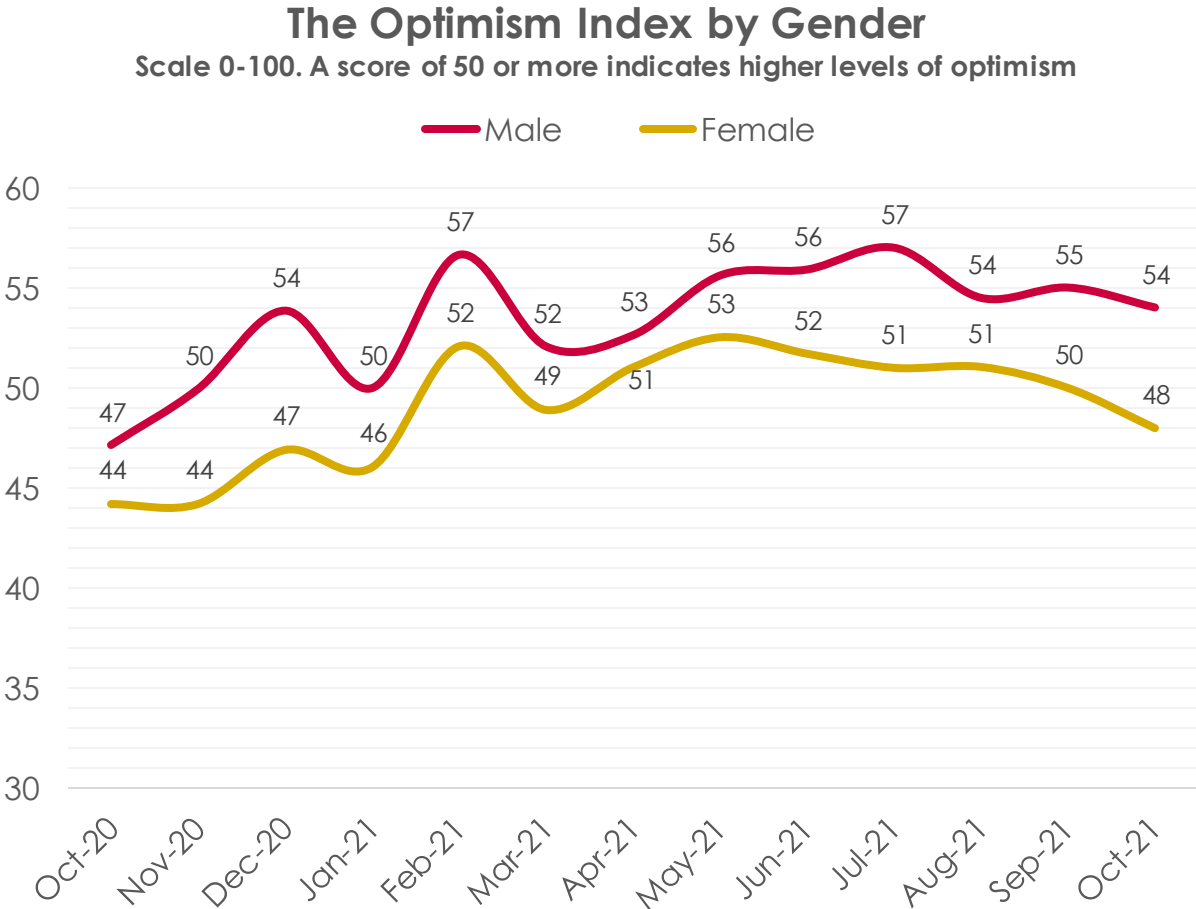


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month sees sentiment fall amongst four of the five generations, with Gen Y seeing the sharpest decline of three points (60 to 57), whilst each cohort over the age of 40 saw optimism decline by either one or two points.
- Bucking this trend is Gen Z, who see a four point rise in sentiment, up from 58 to 62. This has occurred in spite of the fact that many anticipate the current issues being faced across the UK economy and supply chain to be most detrimental to young people.
- 18 to 24 year old respondents are however more than 20% less likely than Gen Y to say they are in full time work this month, and are instead much more likely to still be in some form of education. For the moment, this cohort therefore appear less impacted by the economic issues faced by those slightly older than them – and perhaps sentiment is buoyed by the return to a more normal university experience than last year.
- For older cohorts, specifically the Silent Generation, this month's decline is a likely result of waning vaccine efficacy. With the booster jab rollout starting somewhat slowly, it is little surprise to see a 5% rise in concerns over visiting public spaces amongst those over the age of 73 this month.

# Generation

The Optimism Index by Generation

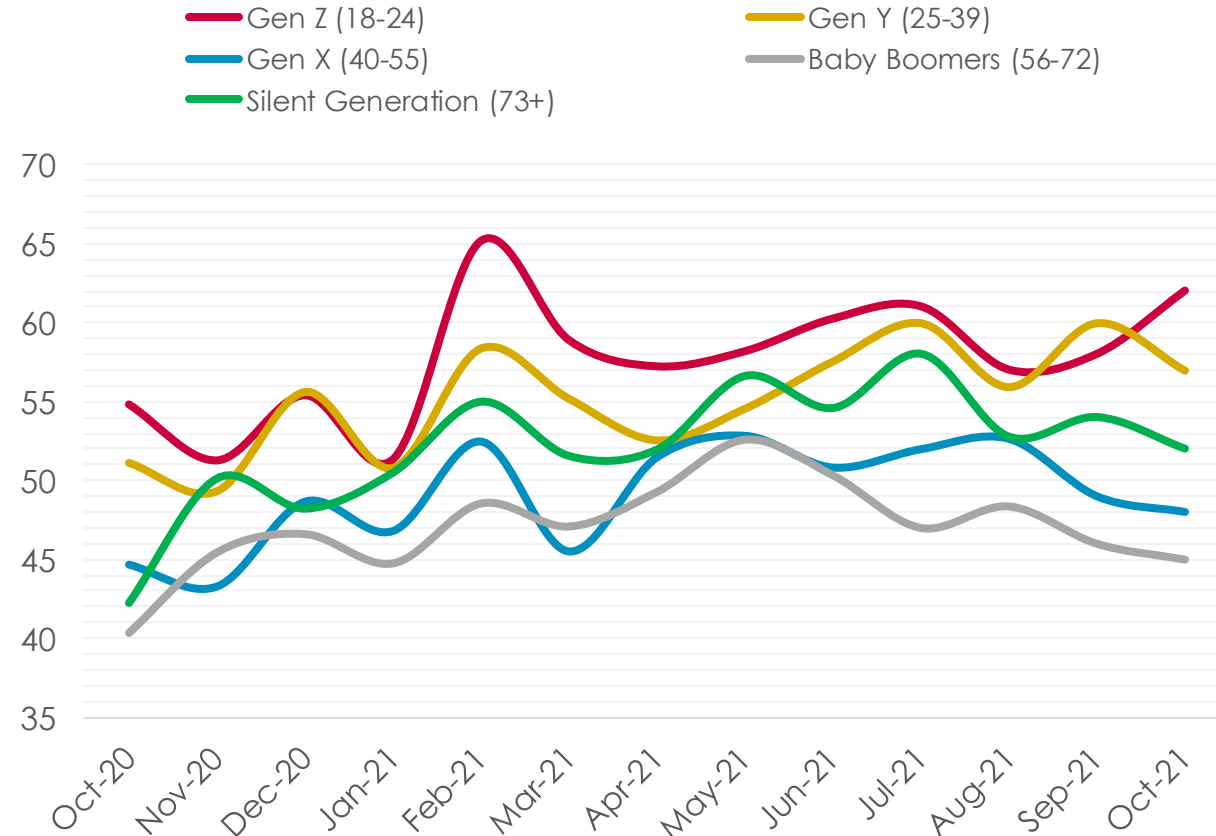


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# Income

- This month sees those in the highest income households continue to adopt a significantly more optimistic outlook than lower earning consumers. Despite a two point decline, those earning more than £62k still see a score 12 points above the topline this month. (63 to 51).
- Amidst talk of 'levelling up' the economy, recent months in particular suggest that the exact opposite trend is emerging. Compared to the initial reopening in April, the difference between the sentiment of the highest and lowest earners has risen almost threefold, now up to 15 points, compared to just six in April.
- This widening polarisation across different income groups regarding sentiment continues to have damaging implications regarding confidence. Those in the highest earning households have a staggering 42% higher net household confidence than those in the poorest households (22% to -20%).

The Optimism Index by Income  
(annual, pre tax household income)

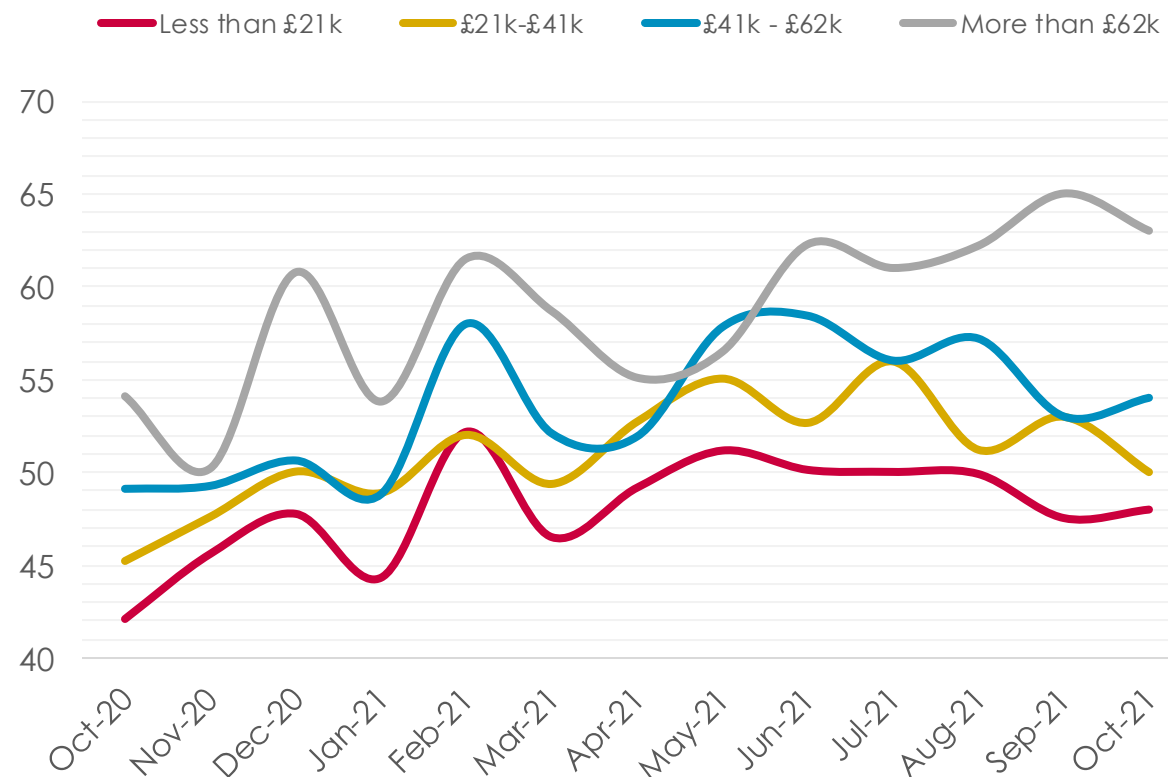
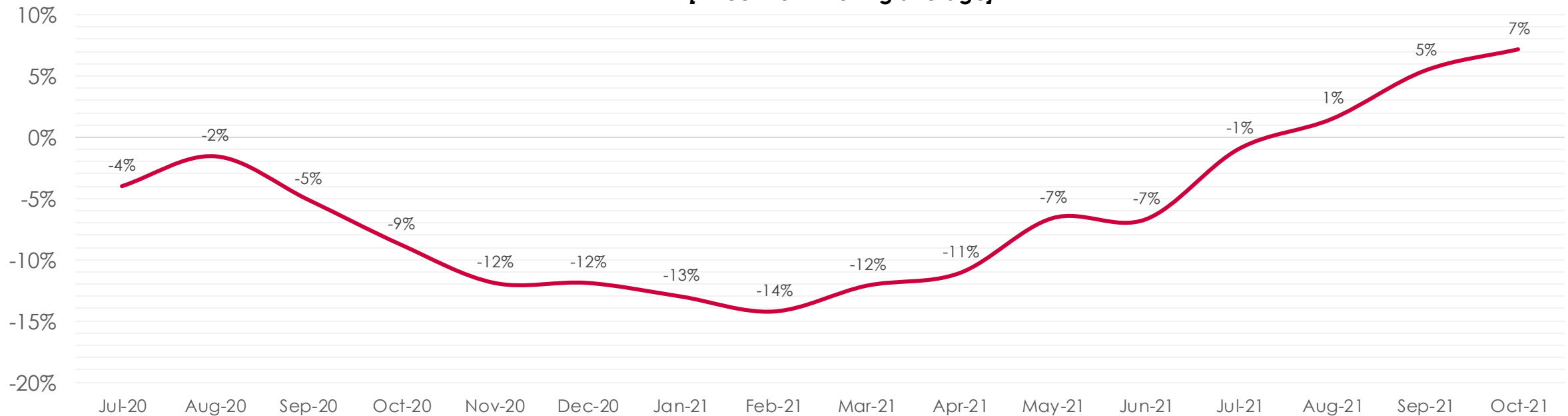


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## Self interest continues to rise

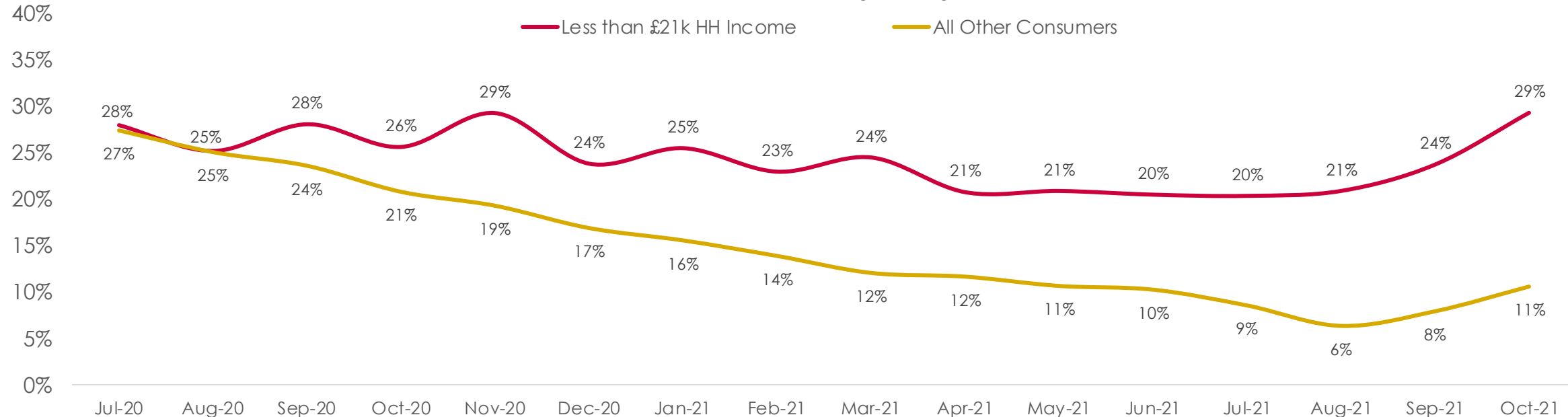
% Net Agreement - I will do what I think is right for me, regardless of how it might impact others  
[Three month rolling average]



- It was no surprise that the pandemic drove a strong sense of community spirit amongst consumers during the peak of the public health crisis at the start of this year. Our findings indicated that consumers were likely not to act in their best interests, but rather to choose what they felt would be best for the greater interest of the country at the time.
- As the economy has reopened and vaccines have rolled out, however, this sense of community spirit has begun to fade rapidly. Net agreement that respondents will 'do what they think is right for them, regardless of its impact on others' has risen by 21% since the turn of the year, now net positive for the first time since the start of the pandemic.
- With mask-wearing and other concerns regarding the dangers still posed by the virus becoming an increasingly polarising topic amongst UK consumers, we anticipate that acting in one's personal interests will continue to grow more prominent in the coming months.

# Financial concerns for poorest now higher than any other point in pandemic

**% Net Agreement – I'm worried about the financial impacts of the pandemic on my household income**  
*[Three month rolling average]*



- During the early months of the pandemic, a significant proportion of consumers were understandably concerned about the impacts of the pandemic on their household income. Efforts to alleviate these concerns have in some part been successful over the past year, with net agreement falling by 10% compared to last October (21% to 11%).
- These successes have been anything but equally distributed across demographics, however. Amongst those in the lowest income households, concerns had declined to a far lesser extent during this period. Of even greater concern, is that recent months have seen such concerns rise sharply amongst this group, now rising to a higher level than at any previous point in the pandemic.
- This recent trend is a likely result of the ending of the £20 top up to Universal Credit payments which, coupled with growing concerns regarding rising energy, fuel and food costs in particular, will have a severe impact on the cost of living for these consumers.



# TRAJECTORY

Each month Trajectory survey 1500 adults in the UK on a range of issues including consumer confidence, personal choice and control, social trust, opportunities in technology, optimism and their place in the world.

This data is analysed and produces The Optimism Index. The data presented here is a snapshot of the full data, which can be used for bespoke analyses on request – including time-series analysis (from 2011 onwards) and global comparisons.

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